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DIRECTORATE OF  
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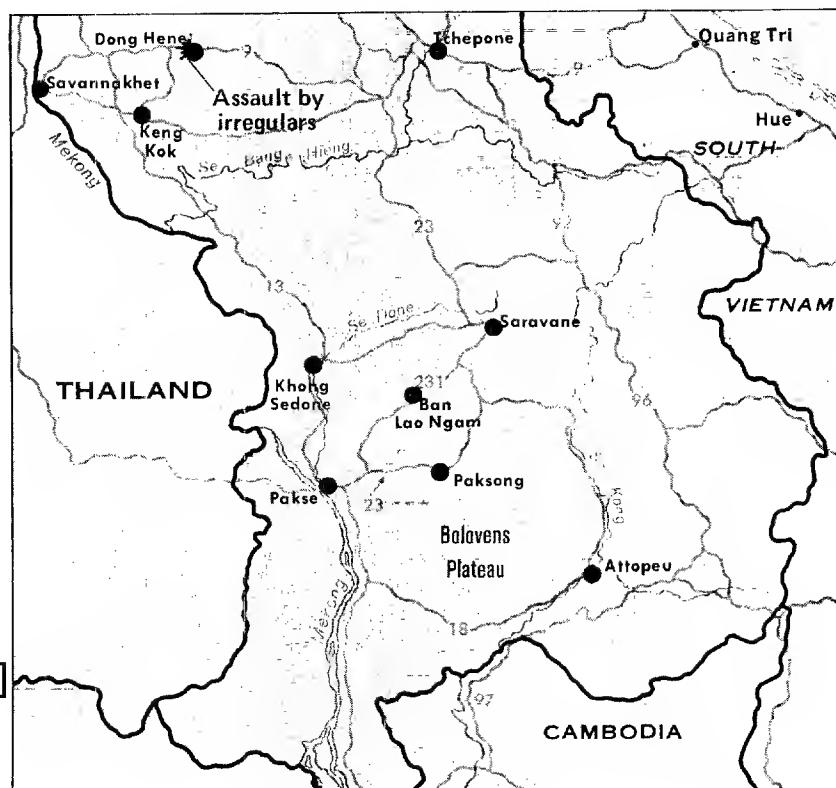
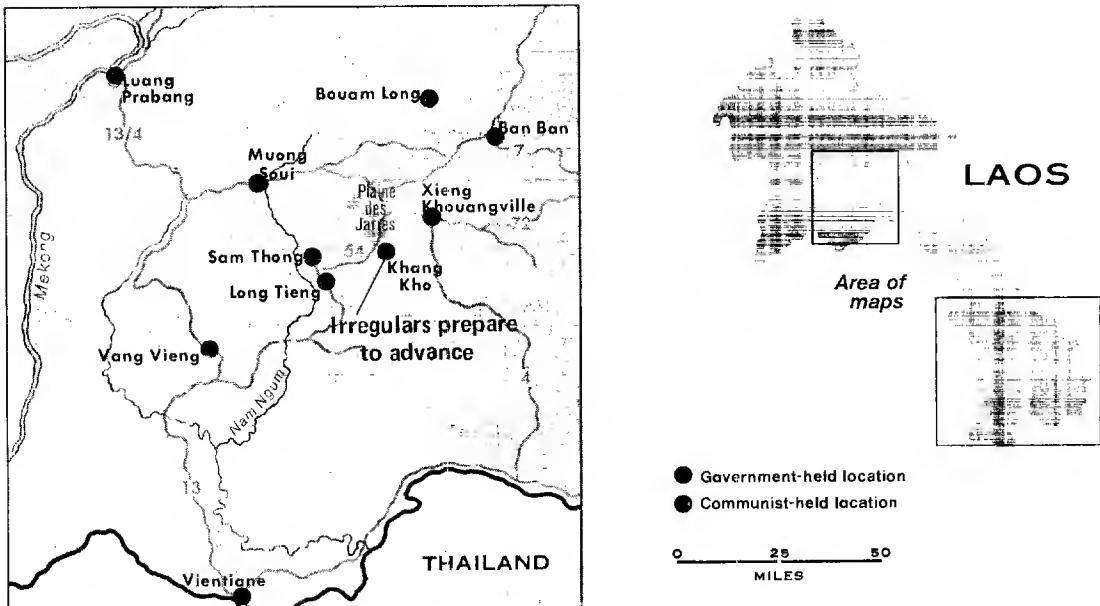
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LAOS: General Vang Pao appears determined to try again to advance toward the Plaine des Jarres.

Several understrength irregular battalions, with a total strength of about 1,300, are being airlifted into Khang Kho to join the 500-800 irregulars holding the government's only remaining high-ground position in the hills about four miles from the Plaine's southern tip. Only last week these troops were driven from nearby positions; they will attempt to secure this area in preparation for renewed offensive operations toward the southern Plaine.

The North Vietnamese still have major elements of three infantry regiments, plus armor and artillery units, near the southern tip of the Plaine. Unless these units have been badly hurt by the heavy daily air strikes, they should be able to deal with Vang Pao's troops. Nevertheless, the irregulars' latest push will help divert the Communists from concentrating their forces against the government's outer defense lines in the hills southwest of the Plaine. Reports from US pilots that the Communists are repairing Route 54, their supply road into this area, indicate that the North Vietnamese may be planning to increase their pressure in this area.

In the central panhandle, government forces that drove Communist troops from the village of Keng Kok last week are now attempting to recapture Dong Hene, a village that has been under Communist control since early this year. Advance elements of the nine-battalion irregular force met stiff resistance when they attempted to enter the town on 9 November. The North Vietnamese 29th Independent Regiment, the only major Communist unit in this area, has one battalion defending Dong Hene and the rest of its elements are located along the roads to the east. [redacted]

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NATO: A number of allies are concerned that the US will not take their views fully into account during talks with the East on mutual and balanced force reductions.

The present issue centers on NATO procedures for coordinating Western positions during exploratory talks on force reductions. Secretary-General Luns last week proposed that the North Atlantic Council "consult and decide on all essential questions" for the talks. He also proposed that the ad hoc group on the scene provide day-to-day coordination of the Western conduct of the talks. The US countered with revisions that met with strong opposition from Luns and the representatives of the Netherlands, Belgium, Greece, Italy, Turkey, and West Germany. They feel that the US revisions would too narrowly limit the role of both the North Atlantic Council and the ad hoc group. The Turkish representative stated that the US position threatened to unravel the compromise to let Turkey and the other flank allies send observers to the talks. The Turks say they accepted the compromise on the understanding that the North Atlantic Council would coordinate Western positions.

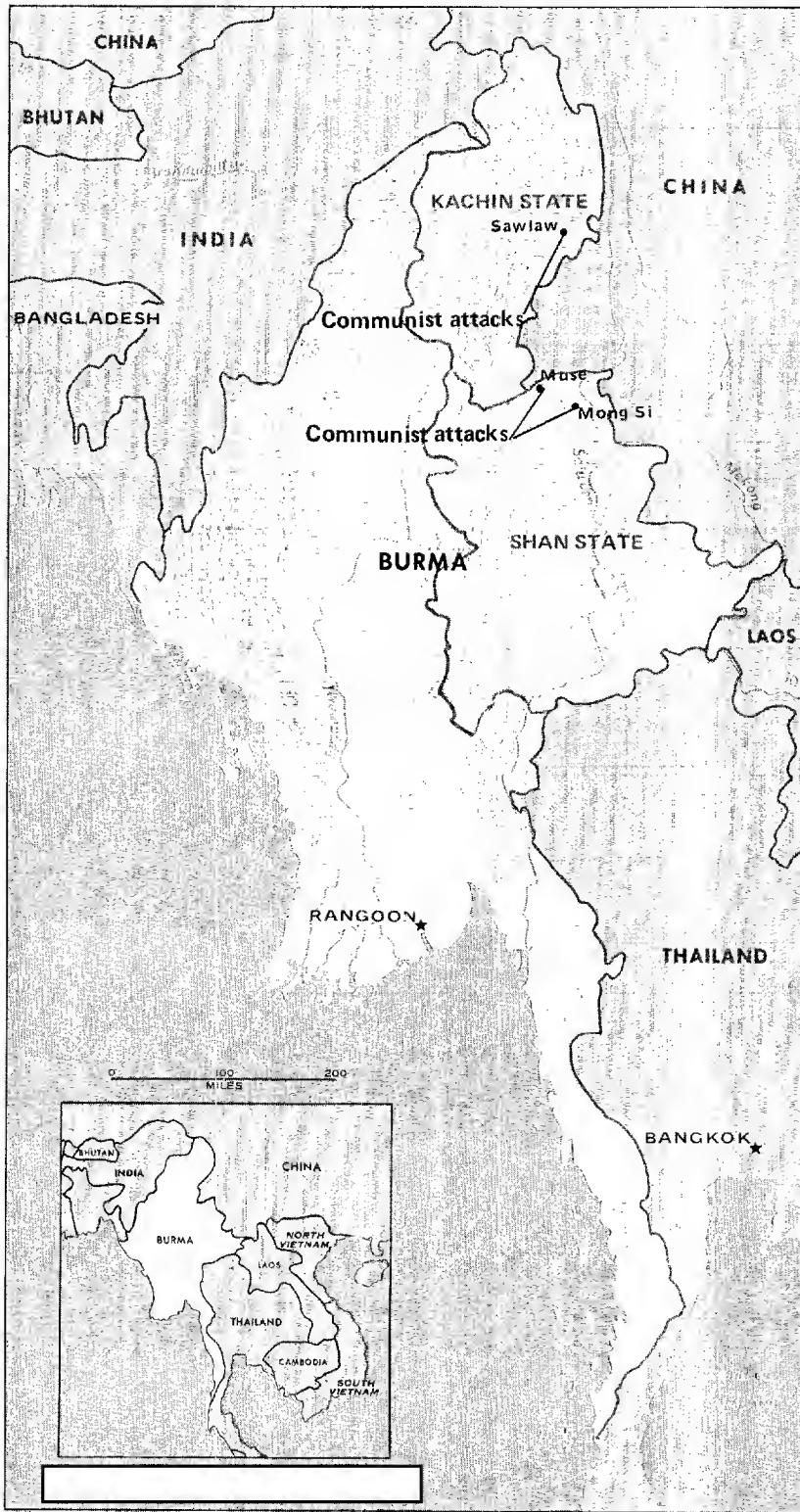
The allies are sensitive to any suggestion that Moscow and Washington may decide matters relating to European security--particularly SALT and MBFR--without their participation. The US proposals on MBFR consultations will increase their concern. The smaller allies particularly depend on NATO consultations, in addition to bilateral talks, to try to exert some influence. The allies were pleased with the US attempts to keep them abreast of the first round of SALT, but they are now becoming concerned that the US will not fully consult them on the issue of forward based nuclear systems in Europe in the upcoming SALT round.

The British and West Germans are already moving to increase their influence on US decisions

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regarding MBFR. Following Anglo-German talks this week, a British official suggested that Washington, London, and Bonn should carefully coordinate their MBFR positions prior to North Atlantic Council consideration. This procedure, however, would not satisfy most of the other allies, who would regard it as further prejudicing the role of the North Atlantic Council--which they see as their best possible forum to influence Western MBFR positions.

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BURMA: Sizable numbers of Communist-led insurgents have attacked government-held garrisons in three widespread areas of the north.

In the northern Shan State, a traditional insurgent stronghold, the Communists launched a heavy rocket and mortar bombardment against an army camp at Muse and made a ground assault against another camp near the town of Mong Si on 6 and 7 November. Poor weather has precluded air support to these beleaguered garrisons, but at last report they were still in government hands. The large expenditure of munitions in the fighting suggests that the Communists now have enough supplies to launch their long-touted military campaign in this northern area.

From Rangoon's viewpoint, a recent outbreak of fighting in the Kachin State is more disturbing. Local officials report that Communist elements overran a lightly defended position in the town of Sawlaw on 3 November. Although the Communists have skirmished with local Kachin forces near the border over the past year, this is the first known significant attack against regular government forces in the Kachin State.

While Communist aggressiveness this year in no way presents an immediate threat to major government installations, it has given Rangoon a refugee problem of serious proportions. In recent weeks, Burmese officials have approached some 20 foreign countries to request emergency supplies to help support an estimated 30,000 people trying to flee from the insurgents. Rangoon's decision to appeal for international assistance for the refugee problem is a sharp departure from its policy of isolation, and may in part reflect the government's increasing nervousness about the growing Communist threat.

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USSR-UN: The Soviet non-use of force proposal continues to get a cold reception in the UN General Assembly.

The proposal, which includes prohibitions on the use of force and nuclear weapons, received a considerable buildup by Soviet diplomats and media. Nevertheless, most delegations still consider it a propaganda gambit in the Sino-Soviet dispute and have tried to stay out of the line of fire. In fact, delegates have been so reluctant to address it that three plenary sessions on this issue have had to be canceled for lack of speakers.

Only Soviet client states have come out flatly in favor of the USSR's proposal. Those third world states that have spoken have found some textual point to complain about. The Chinese have told the US that they will not participate in the debate, citing the low level of interest and hardly concealing their pleasure at this turn of events for a Soviet initiative.

There remains, however, a fair chance that the draft resolution will obtain a majority in the General Assembly, with the bulk of the membership abstaining, although the text may not call for Security Council review. The apparent Soviet intent is to induce the other great powers to take a position in the Security Council. [redacted]

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BELGIUM: Traditional linguistic disputes will come to a head at today's cabinet meeting. This could result in a major reshuffle or even the fall of the government.

Prime Minister Eyskens, a master tactician known for his success in arranging compromises in dire situations, has been unable since parliament reconvened on 10 October to get French- and Dutch-speaking coalition leaders to agree on crucial legislation. The perennial debate on government funding of Catholic schools has caused much of the disagreement between the Social Christians and their more secular-minded coalition partners, the Socialists.

Tempers have risen higher over matters concerning the linguistic boundaries of the country. French-speaking leaders within both coalition parties want the government to honor its commitment to assume direct administrative control of six disputed communes along the linguistic frontier. Moreover, the same leaders argue that if Eyskens' program of economic regionalization of the country is to be implemented, then the economic region for Brussels must be defined territorially in broader terms than the present linguistic laws state. Flemish politicians, who are extremely sensitive on such issues, are resisting any expansion of this largely French-speaking enclave. In today's cabinet meeting, Eyskens may again propose a "package" compromise on all three issues.

Although Eyskens' personal fate is uncertain--he often threatens to resign to elicit a compromise--there is some hope that a major crisis can be avoided. The recently revised constitution requires Belgian governments to have special, large majorities for any legislation affecting cultural and linguistic affairs. Some kind of compromise is therefore mandatory if there is to be a government able to deal with important pending domestic

and foreign legislation. Furthermore, all politicians are aware that there is no viable alternative to the present coalition. The opposition parties are weak and even more divided. New elections would not resolve the situation because they would in all likelihood return the same parties to power.

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GUINEA: The government is moving to acquire part ownership of FRIA, a privately owned consortium that has been Guinea's major bauxite producer and foreign exchange earner since 1960.

Negotiations are to begin within a few weeks, and the government probably will demand at least 49-percent ownership. This is the stake it holds in the Western-financed Boke bauxite project, an even larger development than FRIA, which should begin production in late 1973 or early 1974. American capital predominates in both the Boke and FRIA ventures, although a French company that discovered the FRIA deposits is in charge of its daily management.

FRIA's relations with the government were quite good until late 1970 when a Portuguese-led attack on Conakry produced heightened government concern with security and the activities of foreigners in Guinea. Since then the enterprise has experienced labor problems, government interference in daily operations, and harassment of foreign employees. One foreign official, a French woman, has been held prisoner by Guinea since her arrest in 1971 for alleged subversive activities. Ironically, a striking aspect of the FRIA operation is its highly successful "Guineanization" program. The government insisted from the first that "Guineanization" eventually reach 100 percent and this goal was incorporated into company plans. Latest figures show that only 148 of 1,400 employees are foreigners.

The government's bargaining position is strengthened by the fact that Boke will begin production relatively soon. Previously, the threat of interrupting FRIA production was economically too devastating for the government to risk. Although bargaining will be tough, a near equal partnership with government seems inevitable, given the precedent set by the Boke agreement and President Sekou Toure's ideological commitment to government participation.

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Guinea has 20 percent of the world's known bauxite deposits, but ranks only seventh in production. Development of its richest ore has only just begun. Communist countries also are involved in bauxite projects in Guinea, the largest being a \$92-million enterprise at Kindia just east of the capital.

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NOTES

NORTH VIETNAM: The Hanoi-Haiphong rail line is undergoing rapid repair and most of it is now serviceable. Aerial photography [redacted] shows the North Vietnamese have completed repairs to several river crossings near Hai Duong and Haiphong. Two multispan bypass bridges east of Hai Duong have been made serviceable and rail barges have been used to close a gap in a bypass bridge near Haiphong. One of the bridges near Hai Duong was missing seven spans on [redacted] but within a week all seven had been installed. Some rail cars that had been trapped in Haiphong have been moved, and a locomotive and 27 cars were spotted at the Hai Duong siding. This suggests that portions of the line are already being used.

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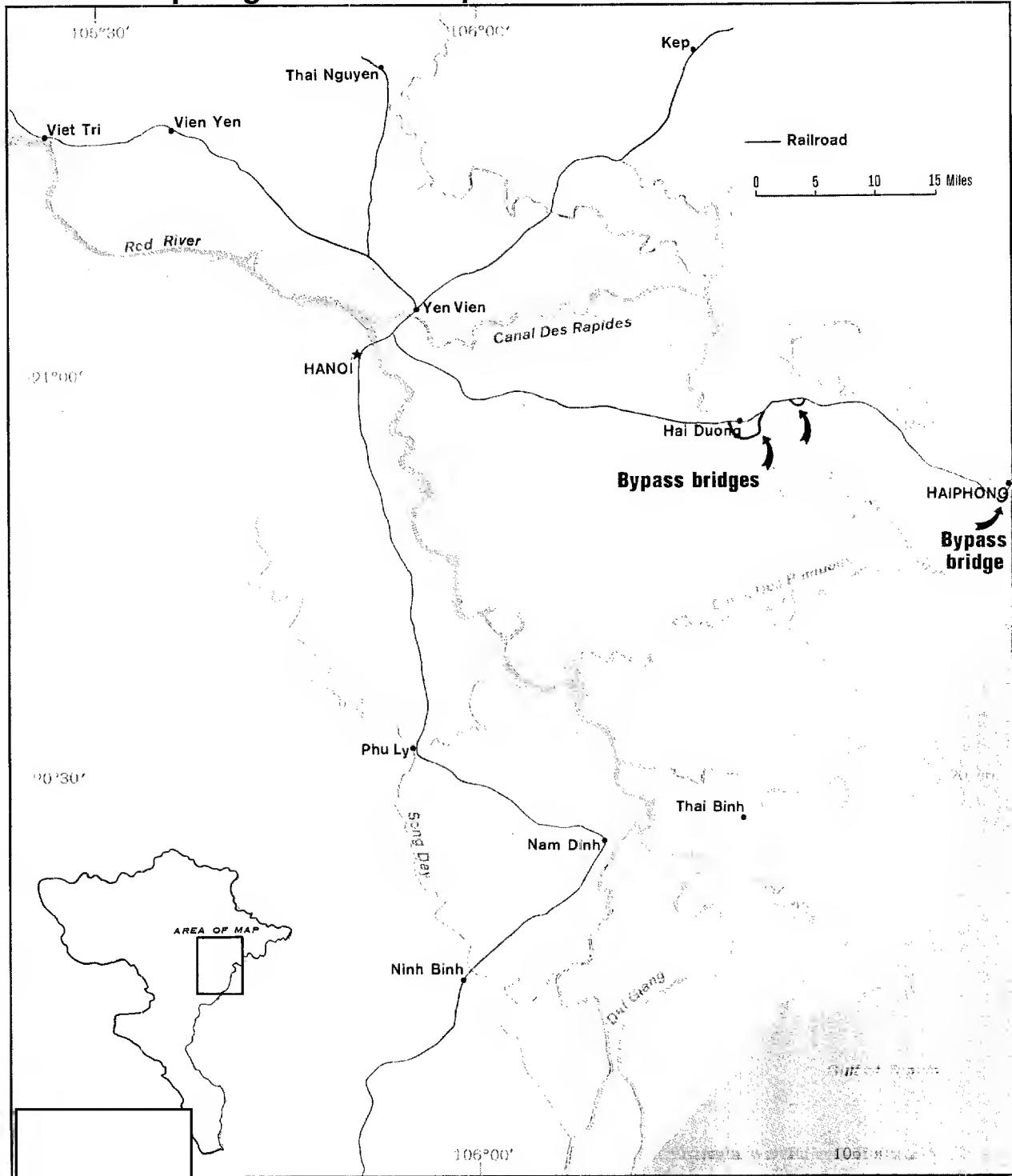
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CHINA: Peking has purchased approximately 1.7 million tons of wheat from Canada, worth \$150 million, for delivery during a six-month period beginning in April 1973. This deal, together with earlier purchases from Canada and Australia, brings total contracts for 1973 deliveries to about 3.5 million tons. Tight world supplies forced China to pay \$2.39 per bushel. Earlier purchases from Canada were made at about \$1.82. Because of unsettled conditions in the world grain market, China has been buying larger than normal quantities of grain for this time of year for delivery next year.

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## Hanoi-Haiphong Rail Line Reopened



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